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WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

FINANCIAL STATEMENTS

AUGUST 31, 2012 AND 2011

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Release Date 3/14/13



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WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

FINANCIAL STATEMENTS

AUGUST 31, 2002 AND 2001



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
West Ascension Parish Hospital Service District
of Ascension Parish, Louisiana
Donaldsonville, Louisiana

We have audited the accompanying financial statements of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, a component unit of the Ascension Parish Council, as of and for the years ended August 31, 2002 and 2001, as listed in the Table of Contents. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, as of August 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 22, 2002 on our consideration of West Ascension Parish Hospital Service District of Ascension Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements of West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, taken as a whole. The supplemental schedule on page 14 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Pastelthwaite & Nettlesville

Donaldsonville, Louisiana
October 21, 2002

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bonitaireville, Louisiana

BALANCE SHEETS
AUGUST 31, 2002 AND 2001

ASSETS

	<u>2002</u>	<u>2001</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 97,236	\$ 190,318
Certificates of deposit	1,078,179	2,483,815
Patient accounts receivable, (net of estimated uncollectibles of \$764,535 in 2002 and \$648,953 in 2001)	485,129	521,448
Inventory	155,389	128,662
Sales tax receivable	84,792	104,849
Estimated third-party payer reimburse	147,440	113,475
Investments	4,302,218	3,181,024
Other current assets	97,463	93,184
Total current assets	<u>6,629,736</u>	<u>6,815,179</u>
<u>PROPERTY AND EQUIPMENT - net</u>	<u>1,489,492</u>	<u>1,184,472</u>
TOTAL ASSETS	<u>\$ 8,119,228</u>	<u>\$ 7,999,651</u>

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 141,282	\$ 107,269
Accrued expenses	80,664	66,684
Total current liabilities	<u>221,946</u>	<u>173,953</u>
<u>FUND BALANCE</u>		
Unrestricted	<u>7,897,282</u>	<u>7,825,700</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,119,228</u>	<u>\$ 7,999,651</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bonita/Bossierite, Louisiana

STATEMENTS OF OPERATIONS
YEARS ENDED AUGUST 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>REVENUE</u>		
Net patient service revenues	<u>\$ 5,515,484</u>	<u>\$ 5,527,919</u>
<u>OPERATING EXPENSES</u>		
Salaries and benefits	1,577,855	1,540,738
Professional/contracted services	1,041,670	981,279
Medical supplies and drugs	555,506	443,112
Other operating	385,845	402,413
Provision for bad debts	851,848	807,808
Provision for depreciation	<u>143,638</u>	<u>124,806</u>
Total operating expenses	<u>6,556,412</u>	<u>6,299,956</u>
<u>LOSS FROM OPERATIONS</u>	<u>(540,918)</u>	<u>(597,491)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Sales tax	614,977	704,889
Investment earnings	310,758	448,891
Loss on disposal of assets	<u>(1,604)</u>	<u>(7,888)</u>
Total non-operating revenues	<u>924,131</u>	<u>1,145,892</u>
<u>REVENUES AND GAINS OVER (UNDER) EXPENSES</u>	<u>\$ 383,213</u>	<u>\$ 548,401</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bossier Parish, Louisiana

STATEMENTS OF CHANGES IN FUND BALANCE
YEARS ENDED AUGUST 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Fund balance, beginning of year	\$ 7,823,769	7,573,266
Revenues and gains over expenses	<u>83,211</u>	<u>248,883</u>
Fund balance, end of year	<u>\$ 7,906,980</u>	<u>\$ 7,823,769</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDING AUGUST 31, 2002 AND 2001

	2002	2001
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from patients and other third-party payors	\$ 2,698,998	1,448,418
Cash payments to suppliers for goods and services	(1,977,775)	(2,094,568)
Cash payments to employees for services	(1,381,388)	(1,382,817)
Net cash used in operating activities	<u>(659,165)</u>	<u>(928,967)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Sales taxes received	602,814	721,368
Net cash provided by non-capital financing activities	<u>602,814</u>	<u>721,368</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisitions of capital assets	(458,572)	(173,800)
Cash received from sales of capital assets	-	5,720
Net cash used in capital and related financing activities	<u>(458,572)</u>	<u>(168,080)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net decrease in certificates of deposit	1,386,876	735,481
Purchases of investments	(1,001,264)	(1,598,672)
Proceeds from sales/maturities of investments	601,808	365,000
Interest on investments	367,878	417,025
Net cash provided by investing activities	<u>354,398</u>	<u>318,794</u>
Net increase (decrease) in cash	(152,922)	(48,991)
Cash at beginning of year	<u>250,218</u>	<u>300,309</u>
Cash at end of year	<u>\$ 97,296</u>	<u>\$ 249,308</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Doubloville, Louisiana

STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES</u>		
Loss from operations	\$ (340,918)	\$ (517,491)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Depreciation	143,608	124,505
Provision for uncollectible accounts, contractual adjustments, and courtesy allowances	851,848	817,900
Changes in assets and liabilities:		
Increase in receivables	(826,510)	(889,163)
Decrease in inventory	(78,447)	6,544
(Increase) decrease in estimated third-party payer settlements	(29,949)	57,738
Decrease in other current assets	(1,278)	34
Increase (decrease) in accounts payable	34,173	(150,491)
Increase in accrued expenses payable	13,462	4,867
Total adjustments	158,752	(30,667)
Net cash used in operating activities	<u>\$ (682,664)</u>	<u>\$ (950,158)</u>

The accompanying notes are an integral part of these statements.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
(Bossier Parish, Louisiana)

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

West Ascension Parish Hospital Service District of Ascension Parish, Louisiana (Present Memorial Hospital) was created by a resolution of the Ascension Parish Council on May 1, 1961 under provisions of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950.

Basis of Presentation

The accompanying component unit financial statements of the West Ascension Parish Hospital Service District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 34, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued on or before November 30, 1989.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Ascension Parish Council is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set both criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Dunklinville, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Reporting Entity

Because the Council appoints all members to the District's Board of Commissioners, the District was determined to be a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Net Patient Service Revenues

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Statement of Operations

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenues and expenses. Peripheral or incidental transactions are reported as nonoperating revenues.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for District operations are recorded at fair value at the date of receipt.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. The buildings and improvements are being depreciated over 25 to 30 years, land improvements over 20 years, and equipment over 5 to 20 years. Maintenance and repairs are charged to expense and betterments are capitalized. Gains and losses from sales or retirements are recognized in the period of disposition.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bossierville, Louisiana

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies (continued)

Inventory

Inventory is valued at the lower of cost (using the first-in, first-out method) or market.

Allowance for Uncollectible Accounts

An allowance for uncollectible patient accounts receivable is maintained. It is based on historical data and management's assessment of the collectability of accounts receivable.

Donations

Donations are recorded at market value at the time of donation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Proprietary Fund Accounting

The District utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Substantially all revenues and expenses are subject to accrual.

Cash and Certificates of Deposit

Cash includes petty cash and demand deposit accounts. Under state law, the District may deposit funds and invest in Certificates of Deposit within a financial institution organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bossierette, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Investments

The District may invest in bonds, debentures and other indebtedness which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States and issued or guaranteed by United States government instrumentalities which are federally sponsored. Investments are stated at fair value.

Investment income includes interest earned, realized gains and losses and unrealized gains and losses (changes in fair value).

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Risk Management

The District is exposed to various risks of loss related to theft, theft-of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self insurance of workers' compensation and liability insurance. The management of the trust funds has complete control over the rate setting process. The District is insured for all other risks of loss.

2. Sales Tax

In a general election held on November 5, 1989, the voters of the District approved a one-half percent sales tax. The net proceeds from this tax can be used for the expansion and/or operation of the District.

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bossier Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

1. Cash and Certificates of Deposit

At August 31, the District had cash and Certificates of Deposit totaling \$1,175,415 and \$2,715,413, respectively as follows:

	<u>2002</u>	<u>2001</u>
Petty Cash	\$ 125	\$ 125
Demand deposit	<u>58,291</u>	<u>238,000</u>
Total	60,216	238,388
Certificates of Deposit	<u>1,073,129</u>	<u>2,465,065</u>
Total Deposits	<u>\$ 1,175,415</u>	<u>\$ 2,715,413</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year end, the carrying amount of the District's deposits was \$1,175,419 and the bank balance was \$1,308,838. Of the bank balance, \$407,484 was covered by federal depository insurance, \$143,805 was covered by collateral held by the pledging bank's agent in the District's name (Category 2) and \$556,648 was covered by collateral held by the pledging bank's agent in the bank's name (Category 3).

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1229 represents a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Bossierette, Louisiana

NOTES TO FINANCIAL STATEMENTS

4. Net Patient Service Revenues

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audit thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admissions are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through August 31, 1998.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audit thereof by the Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through August 31, 1997.

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

5. Investments

At August 31, the investments of the District consisted of United States Treasury Bonds, United States Treasury Notes, Federal National Mortgage Association Notes, and Federal Home Loan Mortgage Corporation Notes. The securities are held by the investment company's trust department in the name of the district (GAAP Category 3).

Investment income at August 31, consisted of the following:

	<u>2002</u>	<u>2001</u>
Interest Income	\$ 331,254	\$ 341,390
Changes in Market Value	<u>88,148</u>	<u>165,581</u>
	<u>\$ 419,402</u>	<u>\$ 506,971</u>

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
Donaldsonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment

A summary of property and equipment at August 31, follows:

	<u>2002</u>	<u>2001</u>
Land	\$ 14,042	\$ 14,042
Buildings and grounds	1,818,779	1,818,779
Fixed equipment	1,512,800	1,876,264
Furniture and fixtures	<u>33,257</u>	<u>33,247</u>
	1,568,906	1,852,342
Less accumulated depreciation	<u>(1,818,216)</u>	<u>(1,867,830)</u>
Property and equipment, net	\$ <u>1,095,692</u>	\$ <u>1,084,412</u>

7. Concentrations of Credit Risk

The District is located in Donaldsonville, Louisiana. The District grants credit without collateral to its patients, most of whom are local residents. Revenue from patients and third party payors were as follows:

	<u>2002</u>	<u>2001</u>
Medicare and Medicaid	58.4%	48.7%
Blue Cross	5.5	4.0
Commercial	17.8	25.4
Private Pay	<u>28.3</u>	<u>21.9</u>
	<u>100.0%</u>	<u>100.0%</u>

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

Bonaldenville, Louisiana

Schedule I

SCHEDULES OF PATIENT SERVICE REVENUES
YEARS ENDED AUGUST 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Nursing services:		
Routine service (daily service charges)	\$ 183,684	\$ 175,655
Operating rooms	-	9,187
Emergency room	1,874,588	1,846,867
Recovery room	-	3,021
Therapy	200,364	215,246
Central services and supply	58,338	76,706
	<u>2,486,974</u>	<u>2,325,682</u>
Other services:		
Laboratory	694,692	626,228
Pharmacy	187,629	188,001
Radiology	235,538	194,583
Emergency room physicians	15,580	11,780
Pathology	1,837	2,744
Medical transcription fees	4,800	4,561
EKG	88,885	60,243
Physical therapy	7,446	3,679
Osteology	40,612	47,176
Ultrasonod	82,133	58,443
Mammography	36,080	37,608
Medical diagnostic/operative share	43,784	414,598
Miscellaneous	42,283	42,286
	<u>1,671,530</u>	<u>1,868,532</u>
Total patient service revenues	<u>4,158,504</u>	<u>4,194,215</u>
Adjustments	<u>(1,663,663)</u>	<u>(1,171,468)</u>
Net patient service revenue	<u>\$ 2,494,841</u>	<u>\$ 3,022,747</u>

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA
SUPPLEMENTAL SCHEDULES
AUGUST 31, 2001 AND 2001





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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
West Ascension Parish Hospital Service District
Donaldsonville, Louisiana

We have audited the financial statements of the West Ascension Parish Hospital Service District of Ascension Parish, Louisiana, component unit of the Ascension Parish Council, as of and for the year ended August 31, 2002 and have issued our report thereon dated October 21, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether West Ascension Parish Hospital Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 02-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Ascension Parish Hospital Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect West Ascension Parish Hospital Service District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 02-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of the Board of Commissioners, management, and others within the organization, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

P. Parthasarathy + Partners

Donaldsonville, Louisiana

October 21, 2012

WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of West Ascension Parish Hospital Service District of Ascension Parish, Louisiana.
2. One reportable condition disclosed during the audit of the financial statements is reported as item 62-2 in Part B. of this schedule. This condition is reported as a material weakness.
3. One instance of noncompliance that is not material to the financial statements was disclosed during the audit of the financial statements. The instance is reported in Part B. of this schedule as item 62-1.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT COMPLIANCE

62-1 Red Law

Finding: LSA-RS 38:2212 requires that all material and supply purchases exceeding \$15,000 need to be publicly bid. This statute also requires governmental entities to provide a notice of a public emergency for purchases that are made as the result of an emergency.

The District purchased an X-Ray machine as the result of an emergency, but the District did not publish notice of the public emergency in the official journal.

Recommendation: All purchases that are made as the result of a public emergency require that the District prepare a written determination of the emergency and publish the notice within ten days in the official journal.

REPORTABLE CONDITIONS

62-2 Internal Control

Finding: There is a lack of segregation of duties due to the limited number of accounting personnel.

Recommendation: No action is recommended.



WEST ASCENSION PARISH HOSPITAL SERVICE DISTRICT
OF ASCENSION PARISH, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2000/August 31, 2001

A. INTERNAL CONTROL

The Hospital had no findings in the prior year.

B. COMPLIANCE

BI-1 Bid Law

Findings:

L.S.A.-RS 18:211C requires that all material and supply purchases exceeding \$15,000 need to be publicly bid. This statute also requires governmental entities to provide a notice of a public emergency for purchases that are made as the result of an emergency.

The District obtained quotes for the purchase of diagnostic equipment at a cost of \$66,380. This purchase should have been publicly bid. Additionally, a generator was purchased as the result of an emergency, but the District did not publish notice of the public emergency in the official journal.

Current Status:

There were similar findings in the current year.

C. MANAGEMENT LETTER FINDINGS

ML-1

Findings:

Bank reconciliations did not tie to the general ledger.

Current Status:

No similar findings were noted in the current year.

ML-2

Findings:

Several patient files did not contain any signed documentation of approval for services that have been performed.

Current Status:

No similar findings were noted in the current year.

CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor

The West Ascension Parish Hospital Service District respectfully submits the following corrective action plan for the year ended August 31, 2002.

Name and address of independent public accounting firm:

Forthoferman & Natarville, APAC
P. O. Box 1109
Donaldsonville, LA 70348

Audit Period:

September 1, 2001 - August 31, 2002

The findings from October 21, 2002 schedule of findings and questioned costs and the management letter are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

01-1 Bid Law

Purchases of materials and supplies in excess of \$10,000 will be publicly bid. When a public emergency is declared, notice of the emergency will be published in the official journal with in ten days. These procedures will be followed immediately.

02-2 Internal Control

No action will be taken. It would not be cost efficient to hire additional people to produce segregation of duties among all accounting functions.

FINDINGS – MANAGEMENT LETTER

01-1 Voided Checks

Checks will be correctly voided in the general ledger. All checks will be properly posted in the general ledger. Any differences between reconciled balances and the general ledger will be resolved timely. This will be instituted immediately.

01-2 Backup for Jans

We will begin to train a person to be able to perform the monthly tasks of the Chief Financial Officer/Business Office Manager in the event that she would be out for an extended period of time.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Vince Cataldo (225) 475-7811.

Sincerely,

A handwritten signature in black ink that reads "Vince Cataldo". The signature is fluid and cursive, with the first name "Vince" and last name "Cataldo" clearly distinguishable.

Vince Cataldo
Administrator